

PRESS-REGISTER

No time for politics in this special session

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ALABAMA IS competing for thousands of new jobs and billions of dollars in investments -- and a German steel plant that could come to Mobile County is only one of the possibilities. The stakes are far too high to start playing politics.

The special session called for Feb. 26 by Gov. Bob Riley allows feuding Senate Democrats and Republicans "to put aside their political and personal differences -- just for five days -- and work together for the common good of our state," in the governor's words.

In that time, the Legislature can begin the process of raising some \$400 million to attract not just the steel plant but as many as nine other major economic development projects whose developers are looking at sites from northwest Alabama south. It can also take the first step toward stabilizing health care funds for retired teachers and other retired state employees.

Special session better

There are two reasons why a special session is a better -- albeit more expensive -- way to handle these issues than the regular session that begins March 6.

First, the complexities of making \$400 million available for economic development include a constitutional amendment that, by law, can't be voted on until 90 days after the session in which it was passed has ended. Waiting until the regular session would place the vote in September, rather than June. And that may be too late.

Because projections from oil and gas reserves are extremely positive, the Riley administration feels confident that the state can safely increase -- from \$350 million to \$750 million -- the legal borrowing ceiling against the trust fund into which 28 percent of the royalties are paid. That's where the \$400 million would come from, but it must be done by constitutional amendment and the people must approve it.

Meanwhile, Louisiana has already set aside some \$300 million with which to compete against Alabama for the \$2.9 billion Thyssen-Krupp steel plant, which would bring 2,700 permanent jobs to north Mobile County along with 29,000 construction jobs. And the Riley administration says this isn't the only time-sensitive project the state is trying to land.

Second, the Riley administration feared that severe political divisions within the Senate, along with the press of regular business, could bog down the economic development measure.

Considering the Senate Democratic Caucus' reaction to the idea of a special session, the governor had a point.

Prominent Democrats Lt. Gov. Jim Folsom Jr. and House Speaker Seth Hammett issued statements agreeing with the need for speed. Gov. Riley said he also had the support of Senate President Pro Tem Hinton Mitchem.

Yet the Senate Democratic Caucus, via a letter signed by Majority Leader Zeb Little, opposed the special session and tried to put the blame for the political divisions on Senate Republicans, saying in part, "It appears that the primary reason for calling a special session is because Republican Senators plan to be obstructionists in the upcoming Regular Session."

We won't rehash the Senate's problems with working together. But we do expect the caucus to keep the promise made in that letter, "Members of the Senate Democratic Caucus are 100 percent committed to passing legislation needed to bring quality jobs to all of Alabama."

Covering the debt

The other special session agenda item that deserves the full support of the Legislature deals with the unfunded liability for health care costs in the state retirement systems.

Alabama taxpayers are committed to pay more for health insurance for current and future retirees than the amount of money that will be available. How much more? Try \$20 billion, by current estimates.

But at the moment, the teachers' retirement fund has \$200 million in reserve, while the state employees' fund has \$75 million. Both of the funds' governing boards and Gov. Riley propose that the Legislature create two irrevocable trusts with that money, right now, to start making up the future shortfall.

The unfunded liability was easy to ignore until a national accounting standards board decided to require all states to explain how they intend to cover the costs for the next 30 years. Because bond-rating agencies are paying close attention to these reports, Alabama might have to pay higher interest rates on bond issues -- such as one being considered for school construction -- if something isn't done quickly.

Besides, the retirement debt will burden taxpayers in the future if it isn't reduced or eliminated. Setting aside revenues for investment money that couldn't be spent on anything else is the responsible thing to do. But it also requires another constitutional amendment.

It's imperative that the special session be a success. Surely no responsible legislator is willing to risk losing so much -- new jobs, massive investment or the chance to reduce future debt -- by putting partisan politics before Alabama's future.